

## ADMINISTRATOR'S STATEMENT

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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Agency name: **DEPARTMENT OF HEALTH**

The Texas Department of Health (TDH) is responsible for protecting, promoting and improving the health of Texans in partnership with people and communities. TDH accomplishes these responsibilities through health promotion activities and the essential public health services, procuring health care services for children and adults, and managing its administrative services.

TDH provides these services through a variety of programs. The consumer health protection programs safeguard the public through activities such as enforcing licensing and compliance standards, inspecting the production of food and drug goods, removing environmental health hazards, and maintaining a vital statistics system of births and deaths in Texas. Activities of the disease control and prevention programs include investigating the outbreaks of communicable diseases, promoting immunizations for vaccine preventable diseases, and preventing certain chronic diseases and the spread of HIV and sexually transmitted diseases (STDs) through educational outreach and counseling.

TDH secures a portion of the state health care safety net through direct health care programs such as promoting health and dental check-ups, assisting special health needs children and their families with obtaining medical services and family support, and providing medical transportation to some adults with specific health care needs. Finally, the administrative programs at TDH ensure the use of consistent standards and practices in managing the budget, human resources, information resources, and other operational elements, such as office safety and building management.

Several values guide TDH in achieving its roles and responsibilities: integrity, inclusiveness and diversity, partnerships, and accountability. The integrity of TDH's actions builds public trust. Inclusiveness and gaining the diverse perspectives of the public assist TDH in achieving the best solutions. Building partnerships with people, communities, and organizations result in a successful health system. Accountability and responsibility are standards to which TDH adheres in using public resources to provide public health and health care safety net services to the Texas population.

Changes in Texas' population will shape the scope and focus of TDH programs. The population of Texas is projected to grow and to change in composition during the next several decades. In 2000, the Texas population was 21 million. Between 2000 and 2010 the rate of total population growth could reach 16% while between 2000 and 2040 the growth rate could exceed 100%.

Changes in population also will be reflected in the racial/ethnic and age composition of the state. In 2000, the profile of racial/ethnic diversity in Texas was approximately 11.1 million Anglos, 6.7 million Hispanics, 2.4 million African Americans, and 700,000 other racial/ethnic groups. However, in future decades, Hispanics will comprise a greater proportion of the Texas populations. By 2040, 53% of the Texas population will be Hispanics.

All major age groups - children under 18, adults aged 18 – 64, and adults aged 65 or older - are expected to expand in size over the short-term. However, those aged 65 or older are projected to account for a larger portion of the state's population. They will comprise nearly 18% of the state's population by 2040.

Changes to federal and state statutes as well as additional statutory mandates will impact the scope and focus of TDH's public health and health care safety net programs. Policy and statutory changes that emerged from the 77th Texas Legislative Session impacted TDH in several ways.

The importance of achieving and maintaining high levels of immunization cannot be overstated as a public health objective, as was recognized by the 77th Texas Legislature. In an appropriations rider to Senate Bill 1, TDH was directed to submit a report each September 30 of the 2002-2003 biennium to the Legislative Budget Board and the Governor on plans to increase immunization rates in Texas, with the primary focus to be placed upon pre-school age children. State leaders have expressed concern that Texas immunization rates for preschool-aged children are lower than the national average.

In Texas, approximately two million people have diabetes, and we estimate that at least one million are undiagnosed. In response to these numbers and the potential future costs for treatment of individuals with diabetes, the 77th Legislature passed Senate Bill 1456 to create the Pediatric Diabetes Research Advisory Committee. The bill requires that TDH establish

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the advisory committee in consultation with the Texas Diabetes Council. The advisory committee was directed to conduct analyses and assessments for the purpose of providing advice to the legislature and governor on the development of a plan to investigate scientific research opportunities for pediatric diabetes in Texas.

The collection of meaningful data is an important tool used by health agencies to battle chronic diseases. Senate Bill 285 passed by the 77th Legislature enhanced TDH's collection of cancer incidence data by adding health practitioners to the list of entities required to report cancer data to the Cancer Registry. The Cancer Registry gathers and publishes data on cancer incidence and mortality rates in Texas.

The events surrounding the attacks of September 11, 2001 served as a catalyst for Texas and the entire nation to increase their awareness and knowledge of the threat of terrorism. TDH is developing a plan designed to provide operational guidelines for bioterrorism preparedness and response. For the 2002-03 biennium, TDH was awarded \$8.3 million from the federal Health Resources and Services Administration (HRSA) to upgrade the preparedness of hospitals and health care systems to respond to bioterrorist events as well as outbreaks of infectious and rare diseases. TDH was also awarded \$51.4 million in federal funding through the Centers for Disease Control and Prevention (CDC) for bioterrorism preparedness and response.

Following the 77th Legislative Session, consensus existed among legislative policymakers to implement the transfer of the Medicaid program without a statutory change. Effective September 1, 2001, the Health and Human Services Commission assumed all policy, budget and management responsibility for most of the state's Medicaid Program, which includes acute health care services. The programs remaining at TDH are the Texas Health Steps (medical and dental), the Medical Transportation program, and the Family Planning program.

To address growing concerns about differences in the burden of disease and premature death among Texans, the 77th Legislature passed HB 757 that established the Health Disparities Task Force. The task force is charged with the responsibility to consult with TDH in understanding and eliminating health and health access disparities in Texas among multicultural, disadvantaged, and regional populations.

A variety of external and internal factors impact the public health services and the health care services to special needs individuals provided by TDH. Examples of these factors include the composition of the Texas population, statutory mandates, and the availability of financial and human resources at TDH. To address the changing external and internal factors, TDH has identified several areas for requesting exceptional items. These areas can be separated into three categories: improve the health of Texans through disease prevention and public health priorities, health care safety net services, and infrastructure.

Under the category of disease prevention and public health priorities, TDH has identified additional funding needs for: vaccines; promotion of physical activity and good nutrition; tobacco education and enforcement; expanded capacity for the cancer registry, neural tube defects (NTD) recurrence prevention, and EMS/trauma registry maintenance; and tuberculosis testing and treatment.

Many children are not receiving the complete series of immunizations required to protect them from vaccine-preventable diseases. The Texas Vaccines for Children program (TVFC) provide free vaccinations to eligible children: uninsured or underinsured children, children of Native American or Native Alaskan heritage, and children enrolled in Medicaid or Children's Health Insurance Program (CHIP). TVFC wants to increase the quantity and array of vaccines offered to these children.

The increasing rate of overweight children is a serious public health concern. Data in 2001 indicated that more school-age children in Texas are overweight than children in the U.S. as a whole. If this trend continues, so will the rates of heart disease, Type II diabetes, hypertension, and cancer. TDH seeks increased funding to support coordinated school based interventions that include classroom instruction, increased physical activity, improved school nutrition, programs, and parental involvement.

TDH has successfully implemented tobacco prevention and enforcement interventions in Harris, Fort Bend, Montgomery, and Jefferson counties to reduce tobacco use among youth. During the first year of implementation in 2000, sixth and seventh graders in these counties showed a 40% net reduction in tobacco use. Funding is necessary to continue and extend the comprehensive tobacco control programs to other regions of Texas and facilitate community partnerships to address and reduce tobacco use among 3 to 3.5 million Texans.

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The TDH Texas Cancer Registry is an essential tool for assessing the burden of cancer among Texans and for evaluating the successes of cancer prevention and control efforts at the community, regional, and state levels. Comprehensive, timely and accurate cancer incidence data are needed to identify populations at increased risk of cancer, target cancer prevention resources, and monitor cancer incidences over time. The Registry's capacity must be increased to assure complete, timely, and accurate reporting from all cancer sources as well as timely processing and dissemination of this reported information.

The mission of the Texas Birth Defects Registry is to identify and describe the patterns of birth defects in Texas. Budget shortfalls impact the Registry's ability to implement a statewide program to prevent the recurrence of neural tube defect (NTD) pregnancies to women who previously had an NTD-affected pregnancy. This NTD identification program is a follow-up to a successful intervention along the Texas-Mexico border in 2000.

Injury is the third leading cause of death and premature mortality in Texas. The Statewide EMS/Trauma Registry serves as an essential tool to assess the burden of injury and the success of medical interventions in attending to injured individuals. Increased funding for this Registry will ensure the collection of comprehensive, timely, and accurate injury incidence data needed to identify populations at risk for injuries, including traumatic brain injuries.

In Texas, the fastest population growth is occurring along the Texas-Mexico border region. The increase in the Texas border population is accompanied by an increase in the number of persons at high-risk for tuberculosis (TB). The control of drug resistant and multi-drug resistant TB continues to be an important issue for TDH. The average annual incidence rate per 100,000 is greater in the border counties than in other regions of the state. The increase in the at-risk population has necessitated an increase in more diagnostics tests, medical evaluations, and laboratory tests such as drug susceptibility testing.

For the category of health care safety net services, TDH has identified the following funding needs to address: HIV/STD treatment; the fund for services for Children with Special Health Care Needs and Kidney Health Programs; specialized EMS funding for local communities; and general Medicaid eligible clients.

Testing for HIV and STDs identifies those individuals who need medical treatment, which includes medications. Access to medications is prolonging the lives of HIV-positive (HIV+) individuals and is reducing health risks, such as ectopic pregnancy, sterility, and cancer, for STD infected mothers and for their babies, who are at risk for fetal death, retardation, and blindness. Delayed access to HIV/STD medications increases susceptibility to life threatening infections resulting in costly hospitalizations. As increasing numbers of HIV+ individuals live longer and other individuals become STD infected, the demand on TDH for HIV/STD medications will continue to increase.

Additional resources are foreseen for the Children with Special Health Needs (CSHCN) program that is experiencing expanded waiting lists of eligible clients for medical services and family support services. Approximately half of those on the waiting lists have no other source of payment for health care. This program serves as a safety net that provides health care benefits, case management and family support services (e.g., wheelchair ramps, respite care, medical foods).

The projected client caseload for the Kidney Health Care Program at TDH is also expected to increase from the current annual growth rate of 7% to 10% by fiscal year 2004. An increase in allocated resources is required to maintain the Kidney Health Care Program.

Across Texas, EMS systems provide emergency health care to seriously ill or injured persons. EMS providers in small rural communities often have difficulty obtaining funding for basic services, maintaining equipment and training. TDH provides leadership, technical support, and grant funding to local EMS systems development in communities to assist in meeting the emergency health care needs. Increasing grant funding for rural EMS providers will improve the capacity for emergency services in small communities.

The number of Medicaid clients is projected to increase as a result of a simplified enrollment system mandated by SB 43 in the 77th Legislative Session. Medicaid clients are entitled to preventive and therapeutic medical and dental services as well as coverage of travel-related expenses, which helps eliminate or reduce barriers for accessing health care services. The simplified enrollment system includes the enhancement and expansion of outreach and health orientation efforts for clients. TDH will need additional resources to provide outreach and orientation activities to an anticipated larger population of Medicaid clients who will be eligible for a portion of the state's health care safety net, Texas Health

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provide outreach and orientation activities to an anticipated larger population of Medicaid clients who will be eligible for a portion of the state's health care safety net, Texas Health Steps Medical and Dental programs, the Medical Transportation Program, and the Family Planning Program.

Infrastructure needs of the agency include enhancement of the vital statistics system; developing an automated regulatory system; retention of technical radiation staff; addressing improvements necessary to bring buildings into compliance with Life-Safety codes and the American with Disabilities Act (ADA); and integration of health information databases.

The vital statistics systems in Texas maintain records on the births, deaths, marriages, and divorces of Texans. In the last 20 years, the number of records filed annually has increased over 40%, with compounded annual growth of 10%. Electronic systems must be developed to handle the high volume of records filed annually along with enhancing the capabilities to store, retrieve, and transmit records timely.

TDH has 84 regulatory programs for which records and data are maintained with 57 different automation systems. Many of the current systems are antiquated to the point of not having vendor support and incur high maintenance costs. Three independent recommendations from a TDH Regulatory Review, an HHSC Report on Regulatory Programs, and the TDH Business Improvement Plan have called for the development of an integrated automation system for the 84 regulatory programs. The update of the regulatory system will provide a Web-enabled database that will most assuredly improve the quality of data maintained and public service.

Attracting and maintaining a workforce of health physicists is a challenge for the Bureau of Radiation Control at TDH. U.S. demand for health physicists during the next five years is expected to outpace supply by nearly 160%. Texas salaries do not compete with private sector or federal government salaries, which average 45-50% higher than the average health physicist salary at TDH. An increase in the salaries for healthy physicists at TDH will ensure the retention of technical staff to maintain daily regulatory activities and manage radiation emergencies, including threats to homeland security.

Certain buildings at the central TDH campus pose a risk to state employees. Buildings require improvements to comply with safety standards. The July 2001 engineering study by O'Connell Robertson & Associates, Architects, Engineers and Planners determined that the Tower Building was out of compliance with the National Fire Protection Association's Life Safety Code, the Americans with Disabilities Act and the Texas Accessibility Standards. Resources are required to install a sprinkler system and fire pump, mechanical upgrades to the HVAC system, electrical enhancements to fire alarm and elevator systems, and general modifications to the structure.

TDH is currently designing a master plan that will guide the development of new systems. An integral part of that development is the integration of TDH's many health database and maintenance systems. Major benefits include a common database, exchange of data, and maintenance of security and privacy.

TDH's legislative exceptional item request has been developed in accordance with instructions received from state leadership. In our effort to limit our request for additional funding, there are several additional areas of concern that may not be sufficiently met by the request. These areas are the ability to regulate inhalants to prevent abuse; provide grant funds for Local Emergency Planning Committees for chemical hazard planning; develop a regulatory program for the use of lasers; resources for the mammography accreditation program; and enhancement of our capability to perform fish tissue sampling in state lakes and streams.

Preventing inhalant abuse was the focus of HB 2950 from the 77th Legislative Session, which amended Chapter 485 of Health and Safety Code to expand the category of products identified as abusable volatile chemicals. As a result of this expansion, an estimated 10,000 additional retailers are required to obtain a permit for the sale of these products, which may not be sold to persons under age 18. Current funding is inadequate to expand the environmental health program to enforce this legislation.

TDH administers the Local Emergency Planning Committee (LEPC) Grants that funds volunteer groups performing chemical emergency planning for their communities. Texas has more than 270 LEPCs, most of which receive no funding other than donated resources. Additional funding would allow Texas LEPCs to conduct detailed studies of chemical hazards, update their chemical hazards response plans, and train on procedures for chemical emergencies.

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The Texas Radiation Control Act gives TDH authority to regulate the use of lasers, including intense pulsed lights sources. The safe use of lasers and intense pulsed light sources is essential to prevent permanent injury or death to the public. Current funding does not allow adequate registration, inspection, and enforcement of laws and rules for the regulation of laser operation in Texas. Additionally, funds are needed to transfer the responsibility of mammography accreditation from the FDA to TDH as outlined in state statute.

Significant mercury levels have been found in fish harvested from Texas lakes. Sporadic monitoring has also found fish with elevated levels of PCBs, pesticides, and dioxins. Support for a comprehensive fish tissue sampling and consumer education program would reduce the public health risk of consuming fish containing environmental chemical contaminants.

TDH acknowledges the legislature's commitment to ensuring a strong and productive Texas. We are committed to working with you during the 78th Legislative Session for the health and safety of all Texans. We have appreciated the legislature's past support of TDH. We respectfully seek your consideration of our fiscal year 2004-2005 appropriations request.